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GOLDSTEIN BULAN CHIA

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**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NEW YORK**

2-200-0026

In re:

HBSA Industries Incorporated, Tax ID# 11-3002986	CASE NOS. 91-12864 B
Affiliated Industries of Shippensburg, Inc., Tax ID# 23-1668495	91-12866 B
Chase Interiors, Inc., Tax ID# 11-2200168	91-12868 B
Empire and Meeker Realty, Inc., Tax ID# 11-2888799	91-12869 B
Visu-Wall by H.B.S., Inc., Tax ID# 16-1241865	91-12872 B

Debtors**ORDER**

Upon all the pleadings and proceedings had herein and upon the Notice to Creditors dated April 4, 2000 returnable before the Court on May 1, 2000 at 10:00 a.m., HAROLD P. BULAN, having appeared on behalf of the Trustee and no one having appeared in opposition thereto, it is

ORDERED that the Trustee, HAROLD P. BULAN, be and he hereby is allowed to compromise and settle a dispute with the United States of America (Environmental Protection Agency) and the State of New York (Department of Environmental Conservation), upon the following terms and conditions:

1. From the consolidated bankruptcy estate, the Trustee and the attorney for the Trustee shall be paid up to but no more than \$85,000.00 (eighty-five thousand dollars) in the aggregate for commissions, fees and attorney's fees, all as shall be determined and allowed by the Bankruptcy Court;

2. From the consolidated bankruptcy estate, the United States of America (Environmental Protection Agency) shall be paid \$126,500.00 (one hundred twenty-six thousand five hundred dollars);

3. From the consolidated bankruptcy estate, the State of New York (Department of Environmental Conservation) shall be paid \$65,000.00 (sixty-five thousand dollars);

4. From the consolidated bankruptcy estate, the Trustee shall pay the outstanding chapter 11 administrative claim in the amount of \$779.58, as well as all amounts due and owing to the Clerk of the Bankruptcy Court;

5. From the consolidated bankruptcy estate, the Trustee shall pay to the Office of the U.S. Trustee, the sum of \$150.00;

6. After payment of the amounts identified in the preceding paragraphs, all remaining funds in the consolidated bankruptcy estate shall be distributed on a pro-rata basis to the wage claimants entitled to priority under 11 U.S.C. §§507(a)(3) and 507(a)(4), and it is further

ORDERED that the Trustee, HAROLD P. BULAN, is permitted to issue Internal Revenue Form 1099 to all former employees receiving payment on wage claims that are properly filed and approved rather than to withhold taxes from each payment, and it is further

ORDERED that any amendments to the noticed motions or requests for relief in the Notice dated April 4, 2000 be deemed properly presented if made on notice only to those parties who hereafter make specific demand therefor.

DATED: MAY 24 2000

/s/ Carl L. Buckl

HON. CARL L. BUCKI, U.S.B.J.

A copy of this order must be served forthwith on all affected parties and the 13/Case Trustee by the party securing said order.

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NEW YORK

DOCKETED

In re:

HBSA Industries, Inc., et al.,

Debtors.

Case Nos. 91-12864 ✓

91-12866

91-12868

91-12869

91-12871

91-12872

Chapter 7

NOTICE OF LODGING
OF STIPULATION AND SETTLEMENT AGREEMENT
FOR 30-DAY PUBLIC COMMENT PERIOD

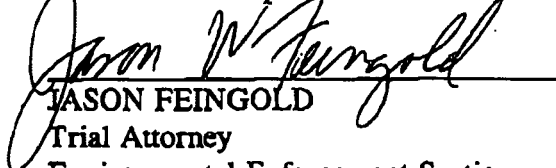
The attached proposed Stipulation and Settlement Agreement is hereby lodged with the Court, pursuant to 28 C.F.R. § 50.7, for public comment. Notice of the lodging of this Stipulation and Settlement Agreement, and the opportunity to comment thereon, will be published in the Federal Register. The United States will then receive public comments on the Stipulation and Settlement Agreement for the requisite 30-day public comment period. During the pendency of the public comment period, no action is required of this Court. After the public comment period has expired, the United States will respond to any comments timely received and move the Court to sign and enter the Stipulation and Settlement Agreement, should it appear that the settlement is in the public interest.

The United States requests that the Court take no action with respect to the lodged Stipulation and Settlement Agreement until the United States moves for the entry of the Stipulation and Settlement Agreement or otherwise advises the Court.

Date: _____


Respectfully submitted,

LOIS J. SCHIFFER
Assistant Attorney General
Environment & Natural Resources Division
United States Department of Justice


JASON FEINGOLD
Trial Attorney

Environmental Enforcement Section
Environment & Natural Resources Division
United States Department of Justice
Washington D.C. 20044-7611

PATRICK H. NeMOYER
United States Attorney for the Western District
of New York


MARY ROACH

Assistant United States Attorney
Federal Center
138 Delaware Avenue
Buffalo, NY. 14202

OF COUNSEL:

MARLA WIEDER
Assistant Regional Counsel
U.S. EPA - Region II
290 Broadway
New York, NY. 10007

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NEW YORK

In re:)	
)	Case Nos. 91-12864
)	91-12866
HBSA Industries, Inc., et al.,)	91-12868
)	91-12869
Debtors.)	91-12871
)	91-12872
)	
)	Chapter 7
)	

STIPULATION AND SETTLEMENT AGREEMENT

The United States of America, the State of New York ("State"), the United Brotherhood of Carpenters and Joiners of America ("UBC"), and the Chapter 7 Bankruptcy Trustee in the above-captioned bankruptcy proceedings ("Trustee") hereby enter into this Stipulation and Settlement Agreement ("Agreement") in settlement of their respective claims in the above-captioned bankruptcy proceedings.

WHEREAS, on August 13, 1991, HBSA Industries, Inc. ("HBSA") and five of its wholly-owned subsidiaries (collectively, "Debtors") filed voluntary petitions for bankruptcy in this Court ("Bankruptcy Court") under Chapter 11 of the Bankruptcy Code;

WHEREAS, on August 23, 1991, the above-captioned bankruptcy cases were converted to proceedings under Chapter 7 of the Bankruptcy Code;

WHEREAS, on October 21, 1994, the Bankruptcy Court ordered the joint administration of the Debtors' cases;

WHEREAS, on October 13, 1994, the Trustee filed a motion to substantively consolidate all the Debtors' cases except for the case of Chase Interiors, Inc.;

WHEREAS, the UBC filed an Objection to the Trustee's Motion for Substantive

Consolidation on February 17, 1995, seeking, to prevent the exclusion of the case of Chase Interiors, Inc. from the substantive consolidation of the Debtors' cases, but otherwise supporting substantive consolidation;

WHEREAS, the United States, the State, the Trustee and the UBC now have no objection to substantive consolidation of the Debtors' cases provided that the Chase Interiors, Inc. case remains closed and the Ferro Merchandising Equipment Corp. case is administered separately;

WHEREAS, on November 13, 1992, the UBC filed an Omnibus Proof of Claim in the above-captioned bankruptcy cases, alleging liability of the Debtors for unpaid employee wages and benefits;

WHEREAS, on February 10, 1995, the United States on behalf of the United States Environmental Protection Agency filed an Application for Reimbursement of Administrative Expenses in the above-captioned bankruptcy cases, alleging the liability of HBSA and Chase Interiors, Inc. under Section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C. § 9607;

WHEREAS, on March 7, 1995, the State filed an Amended Proof of Claim in the above-captioned bankruptcy cases, alleging the liability of HBSA and Chase Interiors, Inc. under Section 107 of CERCLA, 42 U.S.C. § 9607;

WHEREAS, during the course of administration of the above-captioned bankruptcy cases, the Trustee has earned certain unpaid commissions and fees;

WHEREAS, the parties to this Agreement have agreed to settle their claims on the terms set forth herein below to spare the expense, inconvenience, and uncertainty of litigation, and to facilitate and expedite the liquidation of the bankruptcy estate;

WHEREAS, the parties to this Agreement have determined that this Settlement is fair, reasonable, and in the public interest;

NOW, THEREFORE, without the admission or any adjudication of any issues of fact or law, and upon the consent and agreement of the parties to this Agreement by their attorneys and authorized officials and the Bankruptcy Court, the United States, the State, the UBC, and the Trustee hereby agree as follows:

1. This Agreement shall apply to and be binding upon the United States, the State, the UBC, and the Trustee. The undersigned representatives for the United States, the State, the UBC, and the Trustee certify that they are fully authorized to execute and bind the United States, the State, the UBC, and the Trustee, respectively, to this Agreement. The parties agree not to contest the validity of this Agreement in any subsequent proceeding arising from it.

2. In settlement of the Debtors' alleged liability to the United States, the State, the UBC, and the Trustee, the parties to this Agreement agree that their respective claims shall be paid in the following manner:

(a) the Trustee shall be paid up to but no more than \$85,000 (eighty-five thousand dollars) in the aggregate for his attorney's fees, commissions and fees, as determined and allowed by the Bankruptcy Court, out of the Bankruptcy Estate;

(b) the United States shall be paid \$126,500 (one hundred twenty-six thousand five hundred dollars) out of the Bankruptcy Estate;

(c) the State shall be paid \$65,000 (sixty-five thousand dollars) out of the Bankruptcy Estate;

(d) the sole Chapter 11 administrative claimant, Robert S. Shaw, shall be paid \$799.68

(seven hundred and ninety-nine dollars and sixty-eight cents) out of the Bankruptcy Estate; and

(e) the remaining funds in the Bankruptcy Estate shall be paid to the allowed 11 U.S.C. § 507(c)(3) priority wage claimants, including those of the UBC, on a pro rata basis.

3. All payments made to the United States under this Agreement shall be paid to the EPA Hazardous Substance Superfund by FedWire Electronic Funds Transfer to the U.S. Department of Justice account in accordance with current electronic funds transfer procedures, referencing USAO file #95-V-0766, EPA Region II and Site/Spill ID #02BV, and DOJ case #90-11-3-1432. Payment shall be made in accordance with instructions provided to the Trustee by the Financial Litigation Unit of the United States Attorney's Office for the Western District of New York. Notice that such payments have been made shall be sent to each of the following:

Branch Chief
New York/Caribbean Superfund Branch
Office of Regional Counsel
U.S. EPA - Region II
290 Broadway, 17th Floor
New York, NY. 10007-1866

Ronald Gherardi
Regional Financial Management Officer
U.S. EPA - Region II, 29th Floor
290 Broadway
New York, NY. 10007-1866

Chief, Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Dept. of Justice
Washington, D.C. 20044-7611

4. All payments made to the State under this Agreement shall be made by certified check payable to the New York State Department of Environmental Conservation. Payment shall be made to the Bureau of Program Management, Division of Environmental Remediation,

New York State Department of Environmental Conservation, 50 Wolf Road, Albany, New York, 12233-7010, and a copy of the Court-approved Stipulation and Settlement Agreement shall be attached.

5. The Bankruptcy Court shall retain jurisdiction of these cases for the purpose of enforcing the terms of this Agreement.

6. This Agreement is expressly subject to approval by the Bankruptcy Court pursuant to Bankruptcy Rule 9019. This Agreement will be lodged with the Bankruptcy Court and submitted for public comment following notice of the Agreement in the Federal Register. The United States reserves the right to withdraw or withhold its consent if the public comments regarding the Agreement disclose facts or considerations which indicate that the Agreement is inappropriate, or improper, or inadequate. Upon conclusion of the public comment period, the United States will notify the Court that: (a) the United States consents to entry of the Agreement; or (b) public comments regarding the Agreement have disclosed facts or comments which establish that the Agreement is inappropriate, improper or inadequate, and that therefore the United States withdraws its consent to entry of the Agreement.

7. The effective date of this Agreement shall be the date on which the Bankruptcy Court's approval of this Agreement (in accordance with Paragraph 6, above) becomes a final non-appealable order.

8. Upon approval of this Agreement by the Bankruptcy Court in accordance with Paragraph 6, above, all of the Debtors' cases shall be substantively consolidated, except that the Chase Interiors, Inc. case shall remain closed and the Ferro Merchandising Equipment Corp. case shall be administered separately.

9. The Trustee hereby agrees to withdraw his objection to the UBC Omnibus Proof of Claim (and any other employee wage priority claim) which was based upon the allegation that medical reimbursement portions of those claims were not entitled to priority.

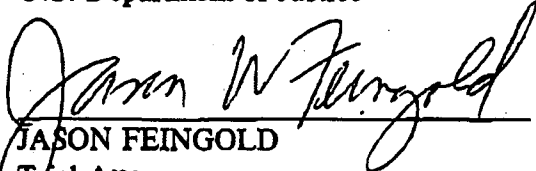
10. The Trustee hereby agrees not to object to the following claims: (1) the UBC's Omnibus Proof of Claim, (2) the Connecticut Carpenters' Benefit Fund priority claim, (3) the NYC Carpenters' amended administrative and priority claims, (4) the United States' Application for Reimbursement of Administrative Expenses, and (5) the State's Amended Proof of Claim.

FOR THE UNITED STATES:



BRUCE S. GELBER
Deputy Section Chief
Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice

Dated: Nov. 21, 1997



JASON FEINGOLD
Trial Attorney
Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice
Washington, DC. 20044-7611

Dated: 12/16/97

PATRICK H. NeMOYER
United States Attorney for the Western District of New York



MARY ROACH
Assistant United States Attorney
Federal Center
138 Delaware Avenue
Buffalo, NY. 14202

Dated: _____

JEANNE M. FOX
Regional Administrator
U.S. EPA - Region II

Dated: _____

FOR THE UNITED STATES:

BRUCE S. GELBER
Deputy Section Chief
Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice

Dated: _____

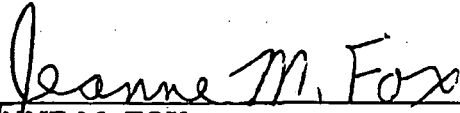
JASON FEINGOLD
Trial Attorney
Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice
Washington, DC. 20044-7611

Dated: _____

PATRICK H. NeMOYER
United States Attorney for the Western District of New York

MARY ROACH
Assistant United States Attorney
Federal Center
138 Delaware Avenue
Buffalo, NY. 14202

Dated: _____

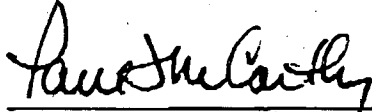


JEANNE M. FOX
Regional Administrator
U.S. EPA - Region II

Dated: 12/10/97

FOR THE STATE OF NEW YORK:

DENNIS C. VACCO
Attorney General of the State of New York



PAUL McCARTHY
Assistant Attorney General
65 Court St.
Buffalo, NY. 14202

Dated: NOV 10, 1997

FOR THE UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA:

COLLEEN BROWN
Counsel for the UBC
Lawrence, Werner, Kesselring, Swartout & Brown
23 Sly St.
Canandaigua, NY. 14424

Dated: _____

FOR THE CHAPTER 7 TRUSTEE:

HAROLD P. BULAN
Chapter 7 Trustee
Goldstein, Bulan & Chiari
14 Lafayette Square, Suite 1440
Buffalo, NY. 14203

Dated: _____

FOR THE STATE OF NEW YORK:

DENNIS C. VACCO
Attorney General of the State of New York

Dated: _____

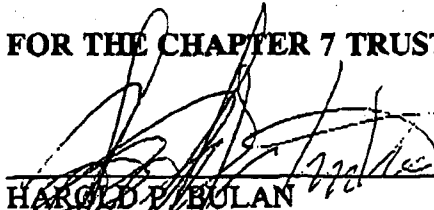
PAUL McCARTHY
Assistant Attorney General
65 Court St.
Buffalo, NY. 14202

FOR THE UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA:

Dated: _____

COLLEEN BROWN
Counsel for the UBC
Lawrence, Werner, Kesselring, Swartout & Brown
23 Sly St.
Canandaigua, NY. 14424

FOR THE CHAPTER 7 TRUSTEE:



HAROLD P. BULAN
Chapter 7 Trustee
Goldstein, Bulan & Chiari
14 Lafayette Square, Suite 1440
Buffalo, NY. 14203

Dated: 11/12/97


FOR THE STATE OF NEW YORK:

DENNIS C. VACCO
Attorney General of the State of New York

Dated: _____

PAUL McCARTHY
Assistant Attorney General
65 Court St.
Buffalo, NY. 14202

FOR THE UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA:



COLLEEN BROWN
Counsel for the UBC
Lawrence, Werner, Kesselring, Swartout & Brown
23 Sly St.
Canandaigua, NY. 14424

Dated: 11/10/97

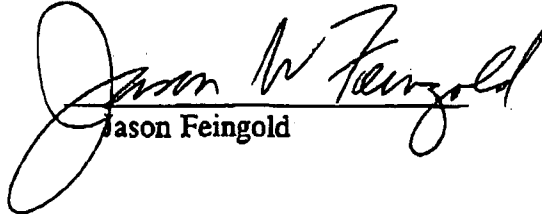
FOR THE CHAPTER 7 TRUSTEE:

Dated: _____

HAROLD P. BULAN
Chapter 7 Trustee
Goldstein, Bulan & Chiari
14 Lafayette Square, Suite 1440
Buffalo, NY. 14203

CERTIFICATE OF SERVICE

I, Jason Feingold, hereby certify that the foregoing NOTICE OF LODGING OF STIPULATION AND SETTLEMENT AGREEMENT FOR 30-DAY PUBLIC COMMENT PERIOD and the foregoing STIPULATION AND SETTLEMENT AGREEMENT in this matter were served upon all counsel on attached list by first class mail, postage prepaid, this 22 day of December 1997.


Jason Feingold

In re HBSA Industries, Inc., et al., (Bankr.W.D.N.Y.)

SERVICE LIST

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Office of the U.S. Attorney for the Western District of New York
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